

Message Text

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ACTION ARA-10

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C O N F I D E N T I A L SECTION 1 OF 2 SAO PAULO 2897

E.O. 11652: GDS
TAGS: PGOV, BR
SUBJ: STRATEGY OF FORMER SAO PAULO GOVERNOR LAUDO NATEL FOR
RETURNING TO POWER IN 1978

1. SUMMARY. IN A LONG CONVERSATION WITH CONGEN OFFICERS, FORMER GOVERNOR LAUDO NATEL DESCRIBED HOW HE PLANS TO RETURN TO THE GOVERNORSHIP IN 1978. THE CONVERSATION REVEALS IN MICROCOSM THE POLITICAL FORCES AT WORK IN BRAZIL FROM THE POINT OF VIEW OF A PRACTICING POLITICIAN. THE FACTORS IMPORTANT TO NATEL ARE THE PRESIDENTIAL SUCCESSION AND SOME SORT OF "POLITICAL OPENING" -- THE CREATION OF MORE PARTIES IS NATEL'S SUGGESTION -- WHICH WOULD GIVE PRO-REVILUTION CANDIDATES MORE APPEAL. END SUMMARY.

2. NATEL'S CURRENT POLITICAL POSITION: NATEL STATED THAT HE BELIEVES HE WAS THE REAL WINNER IN THE MUNICIPAL ELECTIONS IN SAO PAULO. HE HAD MADE OVER 900 VISITS TO MUNICIPALITIES. PRESIDENT GEISEL HAD PUBLICLY RECOGNIZED HIM IN FRONT OF GOV. PAULO EGYDIO, AS THE ARCHITECT OF THE ARENA "VICTORY" IN SAO PAULO STATE. NATEL NOW FEELS HE HAS THE SUPPORT OF 80 PERCENT OF THE STATE'S ARENA DIRECTORATES. WHILE PUBLICLY HE SAYS THAT ARENA WON, PRIVATELY HE STATES THAT IT IS REALLY THE OPPOSITE. THE MDB MADE SUBSTANTIAL GAINS OVER 1972, WINNING IN THE CITY OF SAO PAULO AND MAJOR CITIES WHICH TOGETHER REPRESENT TWO-THIRDS OF THE STATE'S WEALTH. NATEL STATED YOU MUST COMPARE 1976 WITH 1972
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AND NOT 1974. THE 1976 RESULTS ARE THEREFORE NO PREVIEW OF 1978.

3. NATEL STATED THAT HE IS PREPARED TO COMPETE IN A ONE-TO-ONE DIRECT ELECTION WITH THE STATE'S TOP MDB LEADERS, SENATOR FRANCO MONTORO OR SENATOR ORESTES QUERCIA. HE CHARACTERIZED QUERCIA AS A REAL GRASS ROOTS POLITICAL WORKER, MORE DIFFICULT TO BEAT THAN

MONTORO AND THE ONE LIKELY TO OBTAIN THE MDB NOMINATION. NATEL IS CERTAIN THAT THE MDB WOULD WIN IF EACH PARTY COULD RUN THREE CANDIDATES FOR GOVERNOR. THE MDB WOULD BE ABLE TO FIELD THREE POPULAR CANDIDATES, BUT NATEL DISCARDED ALL OTHER POSSIBLE ARENA CANDIDATES AS NOT ADDING ANYTHING APPRECIABLE TO HIS STRENGTH. HE DISMISSED FORMER FINANCE MINISTER DELFIM NETTO AS A MAN WHO COULD NOT BE NOMINATED OR ELECTED.

4. NATEL SPOKE DISPARAGINGLY OF GOVERNOR PAULO EGYDIO, A VIEW WHICH HE CLAIMED WAS NOW SHARED BY THE PRESIDENT. HE SAID HE COULD NEVER BE IN THE SAME PARTY WITH PAULO EGYDIO, WHO HE CHARACTERIZED AS UDN AND UNPOPULAR. HE WAS EVEN MORE CRITICAL OF THE GOVERNOR'S CABINET AND PARTICULARLY HIS FOUR POLITICAL SECRETARIES. ALL OF THEIR LOCAL CANDIDATES HAD TAKEN A BEATING IN THE RECENT ELECTION, NATEL SAID.

5. POLITICAL REFORMS: NATEL STATED THAT THE REVOLUTION IS AT THE POINT WHERE IT MUST CONSOLIDATE ITS POSITION OR BE CONDEMNED TO REPEAT ITSELF. THIS BELIEF FUELS THE CURRENT MAJOR DEBATE ABOUT "POLITICAL REFORMS" NECESSARY TO KEEP THE CURRENT REGIME IN POWER. NATEL SAID THAT HE IS AGAINST EXTENDING MANDATES OF GOVERNORS, SENATORS AND DEPUTIES UNTIL 1980, BUT HE IS IN FAVOR OF THE COINCIDENCE OF ALL ELECTIVE MANDATES. WHAT IS MOST NECESSARY, STATED NATEL, IS TO CREATE TWO OR THREE MORE PARTIES. IN THAT WAY, ANTI-REVOLUTIONARY POLITICIANS WOULD NATURALLY GRAVITATE TO ONE PARTY AND THE GOVERNMENT WOULD ALWAYS BE GUARANTEED OF A MAJORITY COALITION. INCREASING THE NUMBER OF PARTIES WOULD ALSO ALLOW NATEL TO POSITION HIMSELF THE WAY HE WOULD LIKE.... "IN FAVOR OF THE REVOLUTION, BUT AGAINST THE GOVERNMENT."

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6. NATEL EXPECTS THE ECONOMIC RESTRICTIONS THE GOVERNMENT MUST CARRY OUT TO COMPLICATE THE POLITICAL PROCESS NEXT YEAR. THEREFORE, HE REASONS, THE PRESIDENT MUST MOVE NOW ON POLITICAL REFORMS TO GAIN SUPPORT FOR NECESSARY ECONOMIC MEASURES. IT IS IMPORTANT TO CREATE THE PARTIES EARLY, NATEL STATED, SO THAT THEY HAVE TIME TO ORGANIZE BEFORE THE 1978 ELECTIONS. NOR NATEL, THE REVOLUTION WOULD COME TO A SUCCESSFUL END WHEN AN ELECTED PRESIDENT REPRESENTED PARTIES SUPPORTING THE REVOLUTION.

7. PRESIDENTIAL SUCCESSION: NATEL SAID HE IS 99.9 PERCENT CERTAIN THAT GENERAL JOAO BATISTA FIGUEIREDO WILL BE THE NEXT PRESIDENT. "ALL OTHER CANDIDATES ARE MEASURED AGAINST HIM. THEY COME AND GO, BUT FIGUEIREDO STAYS." HE SAID HE HAD BEEN VERY CLOSE TO FIGUEIREDO FOR YEARS AND IMPLIED FIGUEIREDO WOULD REAPPOINT HIM GOVERNOR, IF THERE WERE NO DIRECT ELECTIONS. NATEL CLAIMED THAT BOTH CIVIL HOUSEHOLD CHIEF GOLBERI AND EX-PRESIDENT MEDICI SUPPORTED FIGUEIREDO. WHEN PRESSED ON THE QUESTION OF MEDICI'S SUPPORT,

NATEL SAID THT HE HAD BEEN WITH MEDICI LAST WEEK. "MEDICI IS DISCREET, BUT YOU CAN BE ASSURED THAT HE SUPPORTS FIGUEIREDO." NATEL STATED THAT HE BELIEVES THAT FIGUEIREDO BELIEVES THT HE WILL BE THE LAST PRESIDENT OF THE REVOLUTION, THAT HIS SUCCESSOR WILL BE SELECTED MORE DEMOCRATICALLY. NATEL STATED THAT HE INTENDS TO MAKE THE POINT IN HIS NEXT MEETING WITH GEISEL THAT THE NEXT PRESIDENT SHOULD BE A MILITARY MAN, BUT THAT HE SHOULD BE THE LAST.

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C O N F I D E N T I A L SECTION 2 OF 2 SAO PAULO 2897

8. RELATIONS WITH GEISEL: NATEL EMPHASIZED THAT HE HAS AN EXCELLENT RELATIONSHIP WITH PRESIDENT GEISEL. HE SAID THAT HE SPEAKS FRANKLY WITH THE PRESIDENT, TELLING HIM EVEN UNPLEASANT TRUTHS AND IS THE ONLY PERSON WHO DOES SO. THE PRESIDENT APPRECITES THIS, AFFIRMED NATEL. HE CLAIMED HE HAS NOT SEEN THE PRESIDENT PRIVATELY SINCE THE ELECTIONS BECAUSE HE IS WAITING FOR THE PRESIDENT TO CALL HIM. THEN, HE WILL BE IN A POSITION TO PRESENT CONVINCINGLY HIS PLANS FOR A POLITICAL SOLUTION TO THE REVOLUTION'S IMPASSE. NATEL SAID THAT HE IS PERMANENTLY UNDER CONSIDERATION FOR A FEDERAL POSITION AND THAT HE HAS BEEN TALKED TO ABOUT HEADING UP THE BANK OF BRAZIL. WE WOULD DECLINE ANY FEDERAL POSITION. HIS TURF IS SAO PAULO AND HIS HORIZON IS LIMITED TO THE GOVERNORSHIP. EVEN THE BANK OF BRAZIL DOES NOT TEMPT HIM; HE CLAIMED TO BE THE PRESUMPTIVE HEIR TO THE PRESIDENCY OF BRADESCO (I DOUBT THIS), BRAZIL'S LARGEST PRIVATE BANK. NATEL STRUCK HARD ON THE THEME THAT HE DOES NOT NEED ANYTHING FROM THE GOVERNMENT, BUT IS IN A POSITION TO OFFER THE REVOLUTION SUPPORT BECAUSE OF HIS GREAT PERSONAL POPULARITY AND, IF NECESSARY, HIS ABILITY TO WIN THE GOVERNORSHIP OF THE COUNTRY'S MOST IMPORTANT STATE IN OPEN ELECTIONS. HE STATED THAT MEDICI HAD APPRECIATED THIS AND THAT GEISEL WAS COMING TO APPREIATE IT, TOO.

8. COMMENT: IN FIVE YEARS I HAVE NEVER SEEN NATEL EUPHORIC BEFORE,
BUT HE WAS REALLY FULL OF HIMSELF. ALTHOUGH MANY OF NATEL'S REMARKS
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ARE SELF-SERVING, THEY DO DEMONSTRATE HIS PREOCCUPATION WITH ESTABLIS
H-
ING HIS CREDENTIALS WITH THE PRESENT PRESIDENT, HIS OBVIOUS NEED
TO BET NOW ON GEISEL'S SUCCESSOR (EVEN THOUGH THE PRESIDENTIAL
SELECTION IS TOW YEARS OFF) AND HIS DESIRE TO SEE THE POLITICAL
FRAMEWORK STRUCTURED IN SUCH A WAY THAT HE WILL RETURN TO THE
GOVERNOR'S PALACE. LIKE OTHER POLITICIANS CONCERNED ABOUT THEIR
FUTURE, NATEL HAS DEVISED A SET OF MODIFICATIONS TO THE POLITICAL
SYSTEM WHICH HE DESCRIBES AS THE IDEAL NATIONAL SOLUTION, BUT WHICH
IN RALITY IS TAILORED TO HIS PARTICULAR ELECTORAL NEEDS. WHEN
ASKED HOW HE THOUGHT THE PRESIDENT WOULD REACT TO HIS PROPOSALS,
NATEL CRACKED "IT DEPENDS HOW IT PLAYS IN RIO GRANDE DO SUL.
GEISEL IS A GAUCHO. HIS MENTAL IMAGE OF THE COUNTRY IS HIS STATE."
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